

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6661

BILL NUMBER: SB 210

NOTE PREPARED: Apr 28, 2003

BILL AMENDED: Apr 25, 2003

SUBJECT: Post-Mastectomy Coverage.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Summers

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: (CCR Amended) This bill requires an accident and sickness insurer and a health maintenance organization to provide: (1) post mastectomy coverage as required under federal law; and (2) notice of post mastectomy coverage. The bill removes a provision limiting post mastectomy coverage when there is no evidence of malignancy. The bill also specifies that the required post mastectomy coverage under Indiana law does not exceed the coverage required under federal law.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill requires that a policy of accident and sickness insurance and health maintenance organization contract provide certain benefits. These provisions will make Indiana statute consistent with federal regulations.

This bill removes a provision limiting coverage for certain post mastectomy care. In addition, this bill requires insurers to provide written notice of the required coverage to the insured individual initially and annually thereafter. Three of the state's employee health benefit providers initially responded that the benefit would increase premium rates. However, these benefits should already be provided under the current federal requirements. At least one state plan insurer acknowledges that these benefits are not currently included in the state plan certificate of coverage.

Background: Cost associated with the one insurer that states benefits are not currently included in the certificate of coverage are approximately \$28,000. If the insurer passes this cost onto the state, the state may choose to absorb any additional costs of these provisions or pass these costs onto employees in the form of higher deductibles, higher premiums, or by limiting other conditions covered.

This bill does not directly apply to the state traditional plan. Any impact on the state traditional health plan is contingent on administrative action. There are approximately 36,000 employees enrolled in state employee health plans and approximately 16,500 are enrolled in HMOs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Potentially all.

Local Agencies Affected:

Information Sources: Keith Beesley, State Department of Personnel, 317-232-3062; 29 U.S.C. 1185b; Greg Thomas, Department of Insurance, 317-232-2406.

Fiscal Analyst: Michael Molnar, 317-232-9559